

## Message Text

CONFIDENTIAL

PAGE 01 STATE 191978 TOSEC 080348  
ORIGIN SS-25

INFO OCT-01 ISO-00 SSO-00 CCO-00 ( ISO ) R

DRAFTED BY AF/EPS:CCUNDIFF:AFH  
APPROVED BY AF:WEDMONDSON  
S/S :RPERITO

-----013133 130307Z /65  
O 130054Z AUG 77 ZFF4  
FM SECSTATE WASHDC  
TO USDEL SECRETARY IMMEDIATE  
INFO AMEMBASSY LONDON IMMEDIATE  
USMISSION USUN NEW YORK  
AMEMBASSY LUSAKA

C O N F I D E N T I A L STATE 191978 TOSEC 080348

EXDIS LONDON FOR MOOSE AND PETTERSON; LUSAKA FOR AMB LOW

E.O. 11652: GDS

TAGS: PDEV, RH, AF

SUBJECT: SECOND MEETING WITH MCNAMARA ON ZIMBABWE  
DEVELOPMENT FUND  
STATE 189536, TOSEC 80276  
REF:STATE 189536, TOSEC 80276

1. U.S. EXECUTIVE DIRECTOR TO THE WORLD BANK AND U.K.  
ALTERNATE DIRECTOR AGAIN SAW WORLD BANK PRESIDENT MCNAMARA  
ON FRIDAY, AUGUST 12 AT 2 P.M.

2. MR. MCNAMARA CONFIRMED HIS WILLINGNESS TO RECOMMEND  
TO THE WORLD BANK'S BOARD THAT THE BANK SHOULD PLAY A ROLE  
IN THE ZIMBABWE DEVELOPMENT FUND AS PROPOSED. (THIS ROLE  
IS DESCRIBED IN THE TALKING POINTS FOR USE WITH OTHER  
DONORS WHICH WERE LEFT WITH MR. MCNAMARA ON AUGUST 9.)  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 191978 TOSEC 080348

3. MR. MCNAMARA RAISED THE QUESTION OF WHEN HE SHOULD  
INFORM THE BANK'S EXECUTIVE DIRECTORS. HE SAID THIS COULD  
BE SIMULTANEOUS WITH OUR APPROACH TO THE POTENTIAL DONORS,  
BUT SHOULD CERTAINLY BE BEFORE WE GO PUBLIC. (U.S. EXECU-  
TIVE DIRECTOR BELIEVES NOTIFICATION TO THE BANK'S BOARD

SHOULD BE SIMULTANEOUSLY TIMED IN ORDER TO AVOID HAVING THE EXECUTIVE DIRECTORS RECEIVE THE FIRST NEWS ABOUT THE BANK'S ROLE FROM DONOR COUNTRY CAPITALS. HE BELIEVES MCNAMARA WOULD ALSO STRONGLY PREFER THIS COURSE.)

4. MR. MCNAMARA RAISED A NUMBER OF FURTHER QUESTIONS ABOUT THE OPERATION OF THE ZIMBABWE DEVELOPMENT FUND AND EXPRESSED SOME PREFERENCES IN THIS REGARD. HE DID NOT CONDITION HIS SUPPORT TO US ON RECEIVING IMMEDIATE ANSWERS OR REACTIONS, BUT OBVIOUSLY EXPECTS US TO CLARIFY THESE POINTS AS WE PROCEED. THEY ARE AS FOLLOWS:

(A) WHAT PORTION OF THE TOTAL FUNDS WOULD BE THROUGH THE MULTILATERAL AS OPPOSED TO BILATERAL CHANNEL?

(B) WILL THE VOTING ARRANGEMENTS BE BASED ON THE MULTILATERAL SHARES?

(C) HE PRESUMES THAT THE DISBURSEMENT OF MULTILATERAL FUNDS WOULD BE BASED ON STANDARD WORLD BANK PROCEDURES.

(D) HE WANTS TO KNOW WHAT THE PARTICIPATION OF "NEIGHBORING COUNTRIES TO ZIMBABWE" MEANS. (THIS REFERS TO THE PLACE IN THE TALKING POINTS FOR OUR APPROACH TO DONORS WHERE THERE IS REFERENCE TO THE FUND'S ASSISTING PROJECTS THAT BENEFIT THE NEIGHBORING COUNTRIES.)  
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 191978 TOSEC 080348

(E) HE WOULD LIKE FOR THE MULTILATERAL FUNDS TO BE USED FOR PROJECTS AS MOST BANK FUNDS ARE OR IF USED FOR PROGRAM LOANS THEN THE FUNDS WOULD BE TIED TO SPECIFIC IMPORTS RATHER THAN USED FOR GENERAL BUDGET SUPPORT. (U.S. EXECUTIVE DIRECTOR SAYS THIS POINT REFLECTS MR. MCNAMARA'S CONCERN TO KEEP THE BANK REMOVED FROM ANY USE OF FUNDS FOR SENSITIVE PURPOSES, SUCH AS PAYMENT OF PENSIONS.)

(F) HE WOULD PREFER THAT ALL BANK MEMBERS, RATHER THAN JUST DONORS, BE ELIGIBLE AS SOURCES OF PROCUREMENT, I.E., THAT USE OF THE FUNDS NOT BE TIED SOLELY TO PROCUREMENT IN DONOR COUNTRIES.

(G) WOULD WE ENVISAGE ANY PORTION OF THE FUNDS AS GRANTS?

(H) ON WHAT BASIS WOULD THE BANK BE COMPENSATED FOR ITS SERVICES? HE PRESUMES THAT THE BANK WOULD BE REIMBURSED

FOR ITS TOTAL COST, INCLUDING OVERHEAD. THAT IS, HE PRESUMES THERE WILL NOT BE A BURDEN ON THE BANK'S TOTAL

RESOURCES.

(I) IS THERE AN AMOUNT OF CONTRIBUTIONS THAT WOULD TRIGGER  
THE FUND GOING INTO OPERATION?

(J) WHAT ABOUT LOCAL COST FINANCING? WOULD IT BE PRESUMED  
THAT FUNDS COULD BE USED FOR LOCAL COSTS OR ONLY FOR  
FOREIGN EXCHANGE COSTS? (THE POINT HERE IS THAT THE FORMER  
WOULD GIVE GREATER FLEXIBILITY.) CHRISTOPHER

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TOSEC, POLICIES, COMPENSATION, POLITICAL SETTLEMENT, APPROPRIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 13-Aug-1977 12:00:00 am  
**Decaption Date:** 22 May 2009  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977STATE191978  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** CCUNDIFF:AFH  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770292-0136  
**Format:** TEL  
**From:** STATE  
**Handling Restrictions:**  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770864/aaaacbyv.tel  
**Line Count:** 124  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 702ff25a-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN SS  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** EXDIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** EXDIS  
**Reference:** 77 STATE 189536  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 10-Feb-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1609222  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** SECOND MEETING WITH MCNAMARA ON ZIMBABWE DEVELOPMENT FUND STATE 189536, TOSEC 80276  
**TAGS:** PDEV, EAD, RH, XA, IBRD, ZIMBABWE DEVELOPMENT FUND  
**To:** SECRETARY  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/702ff25a-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009